

# FISCAL NOTE

**Bill #:** HB0515

**Title:** Regulate government competition  
with business

**Primary**

**Sponsor:** Larry Grinde

**Status:** As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
-------------------	------	-----------------------------	------

## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Expenditures:</b>	\$0	\$0
<b>Revenue:</b>	\$0	\$0
<b>Net Impact on General Fund Balance:</b>	\$0	\$0

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
X		Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

1. HB 515 will have no fiscal impact during the 2001 biennium because: 1) a period of time is needed for determination, legal interpretation, and phasing-out, and 2) if private enterprise takes over a function currently performed by state government in accordance with Section 4(4)(a)) during the biennium, state government would pay an amount to private enterprise that approximately equals their current budget.
2. The Office of Budget and Program Planning cannot speculate as to all of the individual activities that are now underway in state government that might be performed under general constitutional, statutory, or regulatory authority that would be precluded by this act. However, they are probably numerous and spread through all agencies. The amount of contracts would increase significantly over the fiscal year-end 1998 amount of approximately \$260 million state agencies spent in the private sector.

3. HB 515 does not require that private enterprise provide the goods or service more economically or as well (“adequately performs”) as the state in order to assume the task. If the cost is greater, the 2001 Legislature will unconditionally provide the additional funding to the state agency to pay private enterprise to continue the task.
4. Some possible applications offered by state agencies:

University System:

- A wide variety of internships and clinical programs
- In-house maintenance of campus facilities per Section 4 (1)(b)
- Public radio and television.
- Construction of a house, which is built by the Helena College of Technology building trade students, and then auctioned off annually
- Summer camps in athletics, music, science, etc.
- Bureau of Business & Economic Research polls, seminars, and sales
- Campus day care
- Quick copy instant printing
- Student newspapers
- Montana Law Review, and other publications
- Materials testing and other lab work

Department of Transportation:

- Vehicle maintenance
- Motor pool leased vehicles to state agencies

Department of Natural Resources and Conservation:

- Nursery program
- Aviation program

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Since local governments and school districts are included in this bill, they also will experience a fiscal impact, but no estimate can be projected.

LONG-RANGE IMPACTS:

Currently, most state agencies believe that most of their functions subject to this bill are generally covered by statute. Time, and legal interpretations, will determine if these functions are “specifically authorized” by law. The fiscal impact will be clearer in two years, but four or more years is probably needed before a solid fiscal impact can be determined.

TECHNICAL NOTES:

1. There is ambiguity between Sections 3 and 4, which include the university system in the all inclusive prohibitions, and Section 5 which pertains only to higher education.
2. Section 3(1)(a) includes school districts in the definition of government entity, but Section 3(1)(b) excludes K through 12 public schools.